



FEDERAL ELECTION COMMISSION

WASHINGTON, DC 20463

RQ-2

MAR 2 1994

John M. Orr, Treasurer
The Freedom Fund
1301 McKinney, 51st Floor
Houston, TX 77010

Identification Number: C00149013

Reference: 12 Day Pre-Special (1/1/93-3/10/93 and 3/11/93-4/11/93), 30 Day Post-Special (4/12/93-4/19/93), 12 Day Pre-Runoff (4/20/93-5/16/93) and 30 Day Post-Runoff (5/17/93-6/25/93) Reports

DEAR MR. ORR:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses no payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Any such payments to a person aggregating in excess of \$200 in a calendar year must be disclosed on Schedule B, supporting Line 21 of the Detailed Summary Page. (2 U.S.C. §434(b)(5)) In addition, if expenses have been incurred but not paid in a reporting period, the activity should be disclosed as a debt on Schedule D, if the obligation is \$500 or more, or outstanding for sixty (60) days or more. 11 CFR §104.11

If these expenses are being paid by a connected organization, your Statement of Organization must be amended to reflect this relationship. 2 U.S.C. §433(b)(2)

PLEASE NOTE: Should your committee have a non-federal account(s), these administrative expenses MUST be disclosed on Lines 18, 21(a)(i) and 21(a)(ii) of the Detailed Summary Page and Schedules H2, H3 and H4 (and possibly Schedule H1 if it has not previously been filed). (See 11 CFR §106.6(b)(2)(i).

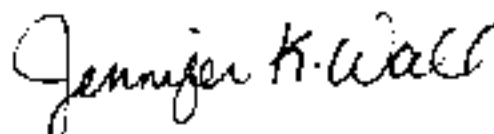
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from

that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Please provide clarification regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations. Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,



Jennifer K. Wall
Reports Analyst
Reports Analysis Division

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